



State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Norman H. Bangerter
Governor


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July 23, 1992

Mr. Paul Spor
General Manager
North Lily Mining Company
P. O. Box 421
Eureka, Utah 84628

Dear Mr.  Spor:

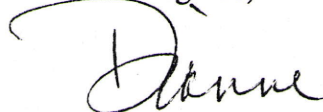
Re: Board of Oil, Gas and Mining Field Tour, Eureka Mining District - Trixie Mine & Silver City Heap Leach Project, M/049/009 & M/023/007, Utah & Juab Counties, Utah

On behalf of the Board and the Division of Oil, Gas and Mining, I would like to thank you for the tour of North Lily Mining Company's, Silver City Heap Leaching Project which you and your staff conducted on July 21, 1992. The tour was very informative and provided us with an increased understanding of not only North Lily's gold leaching/recovery technology, but also the colorful mining history, the Tintic District, and its complex geology and mineralogy. I also appreciated the overview of reclamation of the dumps.

We especially appreciated the opportunity to witness the gold pour at your processing facility. The tour afforded us with an opportunity to see and discuss how our mining regulations affect an active mine in terms of operational compliance and ultimate reclaimability. Thank you also for the delicious lunch in Eureka.

We are very encouraged by the success of the mining and reclamation work we witnessed during the tour. Thank you for your willingness to accommodate us and for the professionalism and candor expressed during our onsite discussions.

Best regards,



Dianne R. Nielson
Director

jb
cc: BOGM
L. Braxton